

Derrick Talerico (State Bar No. 223763)
dtalerico@wztslaw.com
David B. Zolkin (State Bar No. 155410)
dzolkin@wztslaw.com
WEINTRAUB ZOLKIN TALERICO & SELTH LLP
11766 Wilshire Boulevard, Suite 730
Los Angeles, CA 90025
Telephone: (424) 500-8552

Counsel to Debtor Broadway Avenue
Investments, LLC

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

In re:

SEATON INVESTMENTS, LLC, *et al.*,

Debtors and Debtors In Possession.

- ☐ Affects All Debtors.
☐ Affects Seaton Investments, LLC
☐ Affects Colyton Investments, LLC
☒ Affects Broadway Avenue Investments, LLC
☐ Affects SLA Investments, LLC
☐ Affects Negev Investments, LLC
☐ Affects Alan Gomperts
☐ Affects Daniel Halevy
☐ Affects Susan Halevy

Lead Case No. 2:24-bk-12079-VZ

Jointly Administered with Case Nos.:
2:24-bk-12080-VZ; 2:24-bk-12081-VZ;
2:24-bk-12082-VZ; 2:24-bk-12091-VZ;
2:24-bk-12074-VZ; 2:24-bk-12075-VZ and
2:24-bk-12076-VZ

Chapter 11

**DEBTOR BROADWAY AVENUE
INVESTMENTS, LLC'S
OPPOSITION TO ARCHWAY
BROADWAY LOAN SPE, LLC'S
RENEWED MOTION FOR RELIEF
FROM THE AUTOMATIC STAY**

Hearing:

Date: December 10, 2024
Time: 10:30 a.m.
Crtrm: 1368
255 E. Temple Street
Los Angeles, CA 90012

Debtor, Broadway Avenue Investments, LLC (“Broadway”) hereby opposes the *Renewed Motion for Relief from the Automatic Stay* (the “Motion”) [Doc. No. 299] filed by Archway Broadway Loan SPE, LLC (“Archway”). The Motion seeks relief from stay pursuant to § 362(d)(2) – no equity and the property is not necessary to an effective reorganization).

The Motion was filed following this Court’s orders dismissing Broadway’s motions to approve a lease and financing without prejudice pursuant to Broadway’s request that the Court so dismiss those motions. In its replies [Doc. Nos. 292 (lease) and 293 (financing)] by which Broadway set forth its requests to dismiss its own motions, Broadway set forth the reasons for the requests to dismiss. On the lease, dismissal was motivated primarily by recognition of a lack of evidence to establish that the proposed lessee was creditworthy and thus adequate assurance of performance on the lease. At the time the initial motion to approve a lease was filed, Broadway was not authorized to submit the financials of the primary credit-worthy lessee (the Levav Group) to the Court. On the financing motion, dismissal followed course, as a contested fight over financing without a lease to which loan proceeds would be spent was pointless. In the replies, Broadway indicated it intended to bring motions for approval of a lease and financing again to this Court, which it has now done.¹

The New Lease Motion and the New Financing Motion are not merely revived or renewed motions. The New Lease Motion seeks approval of a lease that removes a proposed lessee to which Archway took issue and sets forth further term revisions to respond to issues raised by Archway. Importantly, the New Lease Motion now provides financial statements from the Levav Group, which is the primary credit-worthy tenant on the proposed lease.

The original financing motion presented a term sheet submitted by a broker/lender. The New Financing Motion presents terms on new financing from a direct lender that are improved from the initial term sheet. The New Financing Motion also presents a form of loan agreement the proposed lender has agreed to in material form.

¹ Motion to Approve Lease [Dkt. 310] (the “New Lease Motion”); Motion to Approve Financing [Dkt. 307] (the “New Financing Motion”).

For the same reasons the Court denied Archway's initial motion for relief from the automatic stay pursuant to Section 362(d)(2), it is again appropriate to arrive at the same result. Broadway has a conformable plan before the Court for which the Property is necessary.

362(d)(2) – The Property is Necessary for an Effective Reorganization

Section 362(d)(2) has two requirements – no equity in the property and the property is not necessary for an effective reorganization. Broadway agrees that the Property does not hold any equity. However, the Property is undoubtedly necessary for an effective reorganization. Archway's arguments for the Property not being necessary for an effective reorganization rest entirely on the premise that Broadway had no viable lease to propose to the Court. As set forth above, this is not the case and the New Lease Motion to approve a valuable long-term lease is now before the Court with evidence sufficient for an order granting its approval. The companion New Financing Motion is also before the Court which seeks approval of a loan that will provide for the infusion of \$4 million to Broadway with over \$2 million committed to going directly and immediately to capital improvements for the Property – Archway's collateral. The plan that is before the Court is based in-part upon a 15-year lease with options to extend that is contingent only upon this Court's approval of the \$4 million loan presented by the New Financing Motion. The proposed \$4 million loan does not seek to prime any secured creditor. The Lease is backed by a creditworthy tenant and projects plan payments to Archway that are both fair and feasible. There is a reasonable possibility of a successful reorganization within a reasonable time.

Conclusion

For the reasons set forth herein, Archway's Motion should be denied.

Dated: November 26, 2024

WEINTRAUB ZOLKIN TALERICO & SELTH LLP

By: /s/ Derrick Talerico

Derrick Talerico

Counsel to Debtor Broadway Avenue Investments, LLC,

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
11766 Wilshire Blvd, Suite 730, Los Angeles, CA 90025

A true and correct copy of the foregoing document entitled (*specify*): **DEBTOR BROADWAY AVENUE INVESTMENTS LLC'S OPPOSITION TO ARCHWAY BROADWAY LOAN SPE, LLC'S MOTION FOR RELIEF FROM THE AUTOMATIC STAY**, will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) November 26, 2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

See attached NEF Service List

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (*date*) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) October 15, 2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

The Honorable Vincent Zurzolo (via personal delivery)
United States Bankruptcy Court
255 E Temple St Suite 1360
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

November 26, 2024
Date

Martha E. Araki
Printed Name

/s/ Martha E. Araki
Signature

Seaton Investments, LLC – Jointly Administered

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

- Attorneys for Corporate Debtors Seaton Investment, LLC, Colyton Investments, LLC, Broadway Avenue Investments, LLC, Negev Investments, LLC, SLA Investments, LCC.: **Derrick Talerico:** dtalerico@wztslaw.com; maraki@wztslaw.com; sfritz@wztslaw.com; admin@wztslaw.com
- Attorneys for Individual Debtors Alan Gomperts, Daniel Halevy, Susan Haley: **Zev Shechtman, Carol Chow, Turner Falk, Ryan Coy:** zev.shechtman@saul.com; zshechtman@ecf.inforuptcy.com; carol.chow@saul.com; easter.santamaria@saul.com; turner.falk@saul.com; ryan.coy@saul.com
- Attorneys for Creditor First Foundation Bank: **Scott R Albrecht:** scott.albrecht@sgsattorneys.com; jackie.nguyen@sgsattorneys.com
- Attorneys for Creditor Korth Direct Mortgage, Inc.: **Tanya Behnam, Garrick Vanderfin:** tbehnam@polsinelli.com; tanyabehnam@gmail.com; ccripe@polsinelli.com; ladocketing@polsinelli.com; gvanderfin@polsinelli.com; jnava@polsinelli.com; zyoung@polsinelli.com; mschuster@polsinelli.com;
- Attorneys for Creditor Los Angeles County Treasurer and Tax Collector: **Jacquelyn H Choi:** jacquelyn.choi@rimonlaw.com; docketingsupport@rimonlaw.com
- Attorneys for Creditor United States of America on behalf of the Internal Revenue Service: **Robert F Conte:** robert.conte@usdoj.gov; caseview.ecf@usdoj.gov; usacac.tax@usdoj.gov
- Courtesy NEF/Interested Party: **Christopher Cramer:** secured@becket-lee.com
- Attorneys for Creditor Archway Real Estate Income Fund I SPE I, LLC: **Michael G. Fletcher, Bruce D. Poltrock, Paige Selina Poupart, Gerrick Warrington:** mfletcher@frandzel.com; ppoupart@frandzel.com; gwarrington@frandzel.com; bpoltrock@frandzel.com; sking@frandzel.com; achase@frandzel.com
- Attorneys for Creditor Wells Fargo National Bank West: **Todd S Garan:** ch11ecf@aldridgepite.com; TSG@ecf.inforuptcy.com; tgaran@aldridgepite.com
- Attorneys for Creditor Los Angeles County Treasurer and Tax Collector: **Richard Girgado:** rgirgado@counsel.lacounty.gov
- Attorneys for Creditor Harvest Small Business Finance, LLC: **Jacqueline L James:** jjames@hrhlaw.com
- Courtesy NEF/Interested Party Avi Muhtar: **Avi Edward Muhtar:** amuhtar@eaccidents.com
- Attorneys for Creditor Wells Fargo Bank, N.A.: **Jennifer C Wong:** bknotice@mccartyholthus.com; jwong@ecf.courtdrive.com
- US Trustee's Office: ustpreion16.la.ecf@usdoj.gov; **Kelly L. Morrison:** Kelly.l.morrison@usdoj.gov